

Department: Self-Governing Agencies

Division: Veterans Services

Program: Veterans Services

Description: 4th Veterans Home - Architecture and Design Costs

Sponsor(s):

Senator Johnson

Senator Agenbroad

Rep Kauffman

Rep Syme

Rep Amador

1. Background:

The Governor recommends \$800,000 onetime from the Veterans Recognition Income Fund for the architectural and design costs of a fourth veterans home to be located in Post Falls.

Funding will be paid to the Division of Public Works to start the process of building a 4th Veterans Home in Post Falls, Idaho. The facility is expected to have 57 beds and ongoing operating expenditures are estimated at \$7.3 million a year. Revenue for the home is currently estimated to be about \$6.3 million, or about a \$910,300 deficit each year. The estimated shortfalls are expected to come from the General Fund. The total estimated shortfall amount for the first three years of operations is about \$4.2 million as the home increases its occupancy and hires qualified staff. Further, the proposed home will experience significant challenges in recruiting and retaining staff given the close proximity to Washington; Idaho is already struggling with its competition with Washington at the Lewiston Veterans Home. Currently, the division receives about \$2.1 million or 6% from state funds for all operations, but with the addition of another home, this amount is expected to significantly increase for not only shortfalls, but also salary equity with surrounding markets and internal morale.

Federal funding for the construction would provide 65% of the total cost, if construction is approved. Construction is anticipated to take two-to-three years and as a result the division will be requesting carryover for these funds in future budget requests. The construction grant has not yet been awarded by the federal government, but if approved, along with the funding, then the project will be overseen by the Division of Public Works in the Department of Administration.

Approval of this action will require approval of cash transfer language that will set aside Chapter 7, Title 65, Idaho Code.

2. Agency Request:

Fund	Type	OT	FTP	PC	OE	CO	TB	LS	Total
0123-00	Ded	✓	0.00	0	(800,000)	0	0	0	(800,000)
0123-01	Ded	✓	0.00	0	800,000	0	0	0	\$800,000
TOTAL			0.00	\$0	\$0	\$0	\$0	\$0	\$0

CASH TRANSFER LANGUAGE:

Notwithstanding the provisions of Section 65-703(2), Idaho Code, or any other provision of law to the contrary, **there is hereby appropriated and** the administrator of the Division of Veterans Services shall request the State Controller to make a transfer or transfers from the Idaho Veterans Recognition Fund to the Idaho Veterans Recognition Income Fund in an amount not to exceed a total of \$800,000 for the purpose of providing the state's required match for the establishment of a fourth veterans home in north Idaho for the period July 1, 2018, through June 30, 2019. Further, notwithstanding the provisions of Section 65-704(5), Idaho Code, or any other provision of law to the contrary, any funds remaining in the Veterans Recognition Income Fund at the end of fiscal year 2019 shall remain in the Veterans Recognition Income Fund and shall not be transferred back to the Idaho Veterans Recognition Fund.